

**Western Area Water Supply Authority  
Board of Directors Meeting  
WAWSA Office January 17, 2019**

**Attendees**

Members Present: Raoul Brandt, Ellis Haake, Ward Koeser, Richard Liesener, Mark Owan Larry Novak, Gary Rust and Gene Veeder.

Members Absent: Chris Brostuen

Others Present: Curtis Wilson (WAWSA), Kim Schilke (WAWSA), Dustin Schultz (AE2S), Seth Thompson (Vogel Law Firm), Rebecca Thiem (Serkland Law Firm), Jason Slater (WAWSA), Jacob Monson (WAWSA), Michelle Miller (WAWSA), Mike Harness (WAWSA), Ben Clarys (NWRWD), Liz Suhr (R & T), Jeff Shaffer (MCWRD), Jill Helmuth (MCWRD), Kenny Bergstrom (City of Williston), Dave Bell (City of Williston), David Wicke (City of Williston), Rich Slagle (Moore Engineering) and Kent Ritterman (Moore Engineering).

**Meeting Called to Order**

Chairman Owan called the meeting to order at 9:00am.

**Board Re-Organization**

Executive Director Wilson called for nominations for Chairman. **Koeser moved and Veeder seconded to nominate Mark Owan for Chairman.** Nominations closed.

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak.

NAY: 0

CARRIED: 7-0

Owan called for nominations for Vice-Chairman. **Haake moved and Rust seconded to nominate Chris Brostuen for Vice-Chairman.** Nominations closed.

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

Owan called for nominations for Secretary-Treasurer. **Rust moved and Haake seconded to nominate Kim Schilke for Secretary-Treasurer.** Nominations closed.

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

**Approval of Agenda**

The agenda was presented for approval, Owan added item #4a Rate Committee Recommendation to the Executive Directors report. **Larry moved to approve the agenda with the addition, Liesener seconded.**

MOTION CARRIED UNANIMOUSLY BY VOICE VOTE.

**Approval of the Minutes**

Minutes of the December 20, 2018 board meeting were presented for approval. **Veeder moved to approve the minutes as presented, Koeser seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

### **Financial Report**

The December General financial reports and the December Industrial financial reports were presented for consideration and discussion. **Rust moved to approve the financial reports as presented, Veeder seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

### **Executive Director's Report**

#### **System Updates**

Wilson gave an update of the WAWSA system and Williston regional water treatment plant. He reported on a couple leaks on the system that are related to apparent coupling failures. Wilson reported that he is looking at some changes to the monitoring of the SCADA system so that the Williston WTP employees could monitor the entire system.

#### **NDIC/State Water Commission Update**

Wilson will be presenting the proposed new rates to the NDIC for approval as well as the requested 2019 project industrial sales.

#### **Industrial Rate Recommendation**

Owan reported that the Industrial Rate Committee recommends that the industrial rates on direct connections be increased by up to 12% effective February 1<sup>st</sup>, depot price will remain at \$.84 per barrel or \$20/kgal. This will raise the average rate to \$.58 per barrel. **Haake made a motion to increase the industrial rates on direct connections by up to 12% effective February 1<sup>st</sup>, Koeser seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

#### **WAWSA 2019 Hydraulic Model Calibration**

Task Order #62 WAWSA 2019 Hydraulic Model Calibration was presented to the board in the amount of \$90,600.00. The Task Order will allow WAWSA to best understand their current demands in the system at any given point and to help the WAWSA staff make the best decisions possible with regards to water allocation throughout their system when requests for water are made. **Novak made a motion to approve Task Order #62 WAWSA 2019 Hydraulic Model Calibration, Rust seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

#### **Edling Electric Proposal for HWY 85 Bridge Intake Access**

Wilson presented Edling Electric proposal for electrical services for access to the intake from the bridge and to supply power to the catwalk in the future in the amount of \$44,361.40. **Koeser made a motion to approve the proposal, Haake seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

## Amendment to the Operation Plan

Wilson presented the board with an amendment to add to the WAWSA Operation Plan.

### 4.5.1 Reduction of Industrial Flows through Direct Connections

In the event that the Executive Director, through means of hydraulic models or real time monitoring of system pressures, determines that there is a shortage of water in the system at the service location(s), WAWSA may reduce the water delivered to contracted direct connections (Bulk Industrial Users) in accordance with the Executive Director Water Allocation Process Flow Chart and Flow Demand Management Decision Tree Diagram. These reductions will be made if necessary, to satisfy the needs of domestic water providers for domestic purposes before supplying any or a part of the contracted industrial water for industrial purposes.

If multiple Bulk Water Users, with equal classifications of contract, exist in the portion of the system experiencing a shortage of water to meet the domestic demand and contracted industrial direct connection delivery quantities or rates of flow, each industrial Bulk Water User are required to reduce the water delivered to their direct connections with respect to the Management Decision Tree Diagram. The Executive Director shall advise the Bulk Industrial Users that their delivery of water from the WAWSA system will be reduced by a uniform percentage of each of their contracted delivery quantities and/or rates of flow as computed by the Executive Director.

**Example.** User A has contracted for the delivery of 500 gpm. User B has contracted for the delivery of 1000 gpm. User C has a contracted delivery of 200 gpm. If the Executive Director determines that the maximum delivery rate available to all Bulk Industrial Users is 1200 gpm, the total reduction in available flow is  $1 - (1200/1700) = 29.4\%$  or simply, continue with 70.6% of contracted industrial flowrate delivery. User A will continue with a delivery rate of  $500 \times .706 = 353$  gpm. User B will continue with an industrial delivery rate of  $1000 \times .706 = 706$  gpm. Similarly, User C will continue with an industrial delivery rate  $200 \times .706 = 141$  gpm.

**Haake made a motion to approve amendment 4.5.1 to the WAWSA Operation Plan, Veeder seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

### Employee Compensation

Fourth quarter employee bonus evaluations have taken place. Chairman Owan recommended a 10% 4th quarter bonus for Executive Director Curtis Wilson. **Koeser moved to give Wilson a 10% 4<sup>th</sup> quarter bonus based on Chairman Owan's recommendation, Liesener seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

### SWC Grant Requests

The SWC \$60M Grant monthly request #38-011719 and the SWC \$20M Grant monthly request #15-011719 were presented to the board for their approval. **Koeser moved to approve the SWC grant requests, Liesener seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.

NAY: 0

CARRIED: 8-0

### Break

### Executive Session

**Haake made a motion to enter executive session for the Status update of an ongoing independent workplace investigation as related to the internal investigation of employee misconduct (N.D.C.C. § 44-04-18.1 (6)), and attorney consultation as related to reasonably anticipated litigation or an adversarial administrative proceeding that may have an adverse fiscal effect on WAWSA in connection with initial investigative findings (N.D.C.C. § 44-04-19.1(5)), Liesener seconded.**

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.  
NAY: 0  
CARRIED: 8-0

10:05am the board entered executive session.

KrisAnn Norby-Jahner (Vogel Law Firm) joined the executive session via phone.

**Koeser made a motion to exit executive session, Liesener seconded.**

11:20am the board left executive session.

AYE: Haake, Brandt, Veeder, Koeser, Rust, Liesener, Novak and Owan.  
NAY: 0  
CARRIED: 8-0

### **Independent Investigator**

Rebecca Thiem, Serkland Law Firm, was retained by Vogel Law Firm on behalf of WAWSA to conduct a workplace investigation and provide recommendations regarding the policies and procedures of WAWSA.

### **Recommended Policies and Procedures**

These recommendations regarding Board policies and procedures are based on the interviews conducted by Serkland, the receipt of various documents supplied in these interviews, review of Chapter 61-40, N.D.C.C., and the Bylaws, Operational Policies and Employee Handbook of WAWSA. In addition, we have identified within the recommendation some of the current policies that may be impacted or require expansion.

- A. WAWSA's reporting requirements to the Industrial Commission and its oversight role. (Operational Policy 5.29.)
- B. Annual evaluation and compensation of the Executive Director and other key employees of WAWSA. (Operational Policy 4.2.)
- C. Conflict of Interest Policy requiring annual disclosure of potential conflicting interests of officers, directors, and key employees. (Employee Handbook 3.1; Operational Policy 2.1.)
- D. Conflict of Interest Policy for other WAWSA employees regarding disclosure and evaluation of potential conflicts regarding WAWSA assets and contracts. (Employee Handbook 1.19.)
- E. Whistleblower Policy. (Employee Handbook 1.11, 1.13, 1.15, and 3.1 and Operational Policy 2.1.)
- F. Board Audit Policy, including process for confidential communications between Board and Auditor and potential creation of an Audit Committee.
- G. Reporting and oversight requirements for purchases and sales and use of WAWSA inventory and other property. (Operational Policy 6.4.)
- H. Gifts, gratuities, and personal transactions with contractors, vendors, and service providers.
- I. Competitive bidding and purchasing procedures.
- J. Annual training of Directors, Officers, and key employees regarding WAWSA's obligations as a public entity.
- K. Annual training of employees regarding WAWSA's obligations as a public entity.

### **Operations Officer – Chief Operating Officer**

Wilson reported that WAWSA's Operation Manager Todd Pokrzywinski has separated from WAWSA as of January 11, 2019. Wilson proposed restructuring the position to move some of the Operation Manager responsibilities to the Operations Supervisor and hire a Chief Operating Officer.

### **Project Updates**

Schultz presented a current water demand report and the capital accounting for December. He also gave updates on the current projects' progressions.

### **Legal Update**

Seth Thompson, Vogel Law Firm, reported to the board on items that Vogel has been working on for WAWSA.

**Rust made a motion to adjourn, Haake seconded.**

Chairman Owan adjourned the meeting.



Mark Owan, Chairman



Kim Schilke, Secretary